



INVESTOR PRESENTATION

Q3 2023 Performance

Nairobi, 22 November 2023

For People. For Better.

Regulated by the Central Bank of Kenya



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Rounding differences

Please note that rounding differences may appear within the presentation.

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For People. For Better.



We work to position KCB as a financial services leader that puts people first, to make life better for the millions of customers we serve.

OUR PURPOSE

For People. For Better.

OUR VALUES

Closer. Connected. Courageous.



We are a regional powerhouse leveraging our strong brand to link millions of people to possibilities on the African continent and beyond.



**Opening
Doors of
Opportunity
since 1896**

 Kenya | Tanzania | South Sudan
Rwanda | Uganda | Burundi | DRC

33 Million Customers



598 Branches



12,067 Dedicated employees



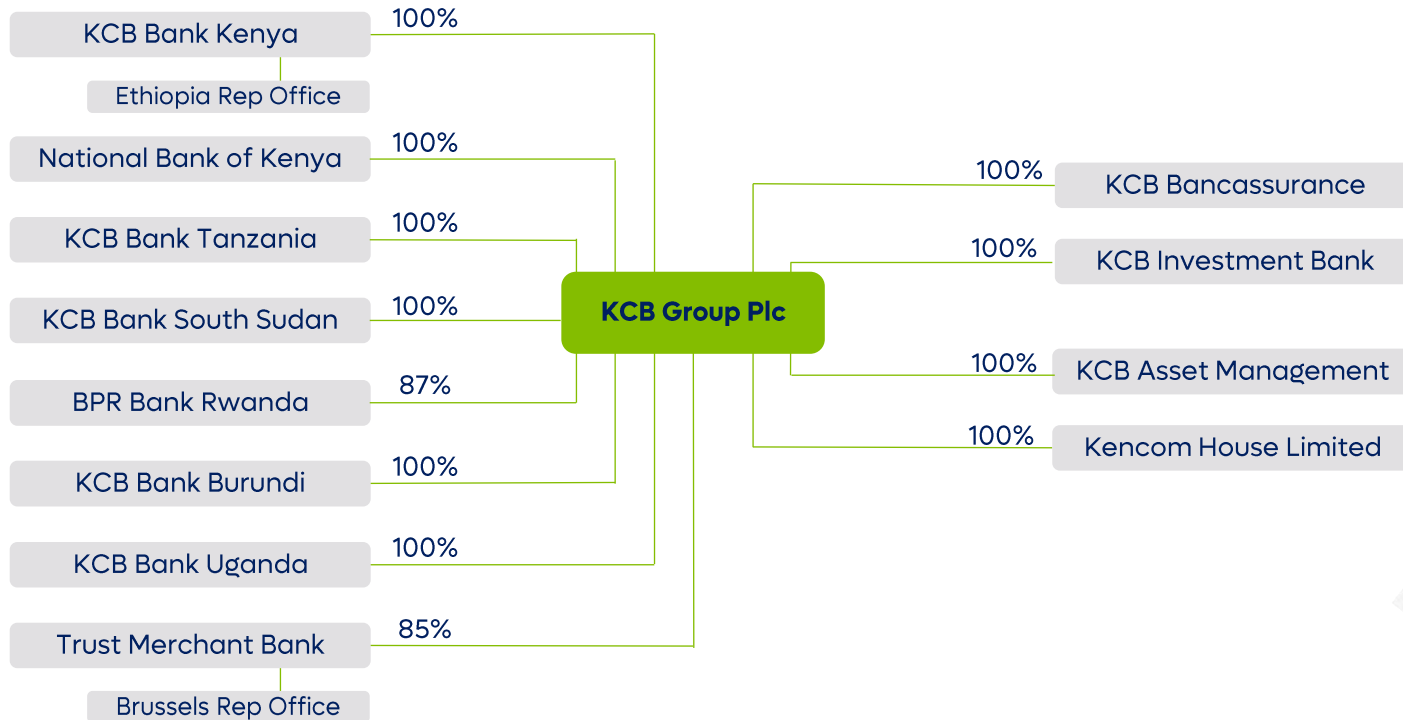
1,318 ATMs



33,393 Agents & Merchants



A well diversified businesses model designed to drive and **build the scale required to match the meaningful role we play in the region.**



Operating context characterized by currency depreciation and a high-interest rate environment. We are committed to support our customers through these challenges.

Tailwinds



Strong projected GDP growth rates across the region in the medium term despite the slowing growth globally.



Rollout of risk-based pricing to drive inclusion of previously priced-out customers.



Anticipated decline of interest rates in the medium term as inflation continues to decline. (starting H2 2024)

Headwinds



Depreciation of local currencies exacerbating inflationary pressure, eroding purchasing power and negatively impacting trade.



Fiscal pressures across the region portend increased costs due to rise in taxes while constrained liquidity in the markets impacts cost of funds.



Continued disruptions occasioned by global geopolitical risks.

The people we serve are at the core of our **Beyond Banking Strategy**.

Our 2020 – 2023 Strategy

01

Our Strategic Vision

The very best in customer experience, driving a digital future.

02

Our Strategic Thrusts



Customer first, with leading value propositions.



Step change in efficiency and productivity.



Digital leader and digital to the core.



Scale to achieve regional relevance.

03

Our Deliverables

- Embed customer obsession.
- Grow total assets.

- Reduce cost to income ratio.

- Grow non funded income.

- Grow contribution to profits from regional subsidiaries.

We are a partner of choice for millions of clients backed by our leading solutions that enable customers to pay, borrow, save, insure and invest with unmatched convenience.

01

Strong retail banking franchise

- Largest retail banking loan book in the region.
- Largest branch network in the region.

02

Leading corporate banking solutions

- Strong momentum in growth of **new to bank** customers.
- Largest corporate banking loan book in the region.

03

Innovative digital financial services

- **99%** of transactions through digital channels.
- Simplified customer journeys.
- New term facilities on mobile. Up to 1 year.

04

Suite of non-banking products

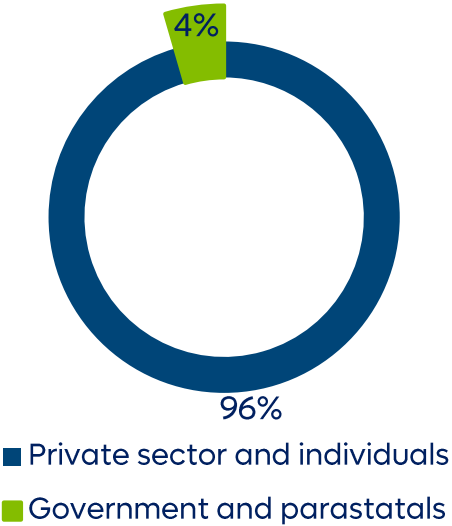
- Investment products through **KCB Investment Bank**.
- Insurance solutions via **KCB Bancassurance**.
- Asset management solutions through **KCB Asset Management**.



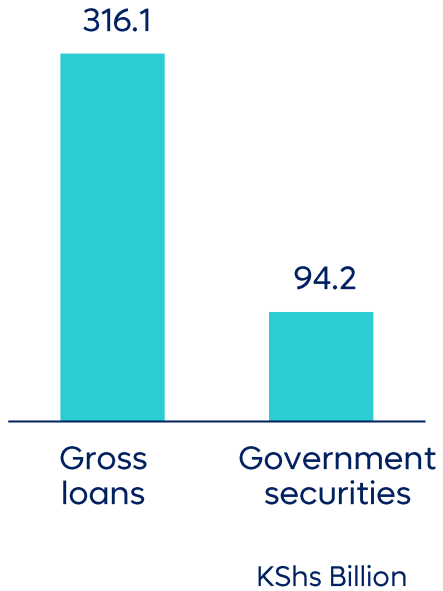
We are a partner of choice for both public and private sector clients backed by our strong brand and exemplary track record.

Powering growth in the private sector

Public vs private sector loans in KCB Kenya



3.4x faster growth in gross loans compared to Govt securities



What differentiates KCB

Wide footprint: Present in 7 countries and in every county in Kenya.

Strong balance sheet: #1 in Kenya and the region.

Stable and trusted brand: Over 127 years of continuous operations.

Dominant and diversified business: Full suite of financial solutions.

Exceptional talent: Largest, diverse staff complement.

Strong retail banking franchise

We are the number 1 retail bank in the region powering dreams and supporting households and small businesses to thrive.

FLME Financing



Over KShs 90 billion in loans to women owned businesses.

MSME Financing



Over KShs 100 billion in loans to MSMEs.

Affordable housing



Single digit interest rates for affordable housing.

Strong retail banking franchise

We support schools to broaden access to education. We bank the largest segment of both public and private schools across the region.

School infrastructure



For the love of education

School infrastructure financing for over 40,000 schools operating over 120,000 school accounts.

Clean energy solutions



Clean cooking energy financing for schools supported by partial grants from KCB Foundation.

Digital learning



Partnership with an education technology provider to enable access to coding lessons at discounted rates.

... while also leading the transition to a low carbon future through easily accessible and affordable financing for clean energy, e-mobility and the associated infrastructure.

Electric buses



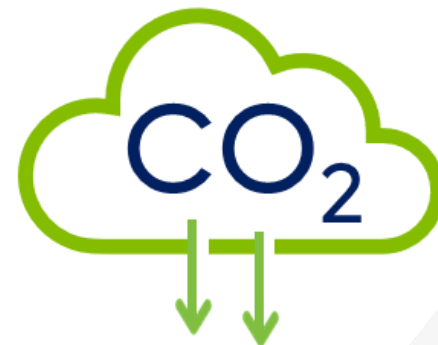
E-mobility solutions to finance purchase of **electric buses by public transport operators.**

Electric motorbikes



E-mobility programme aimed at introducing **100,000 electric motorbikes** in three years.

Renewable energy



\$300M climate & MSME finance from DFIs. To grow green loans to **25% of our portfolio by 2025** (>KShs 200B by 2025).



Increased self-serve capabilities continue to drive efforts to simplify customer journeys through availing unmatched convenience for customers.

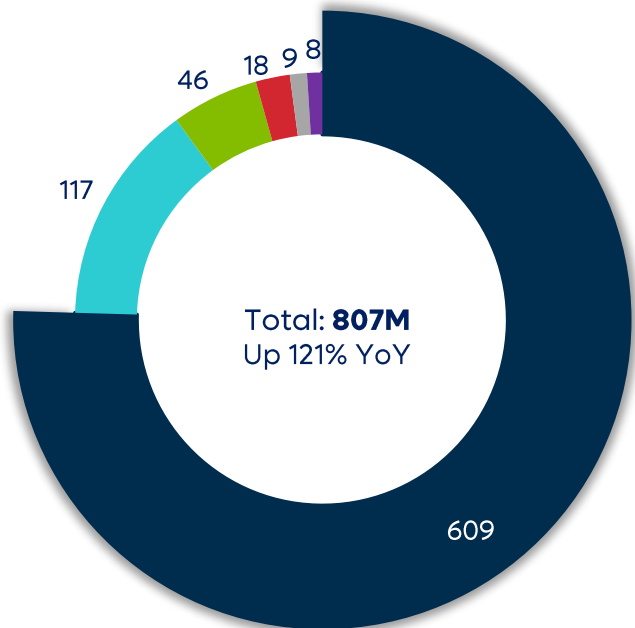
^ 99%

of transactions by number conducted through non branch channels helping us drive exceptional customer experience.

	Q3 22	Q3 23
NPS	56	62
CES	18%	13%



Number of non-branch channel transactions in Q3 2023 (M)



YoY Change

- Mobile Lending **264%**
- Mobi Service* (10%)
- Agency 8%
- Merchant POS **51%**
- Internet Banking **49%**
- ATMs 3%

*Mobi service includes B2C, C2B, B2B, Lipa Karo and Float purchase

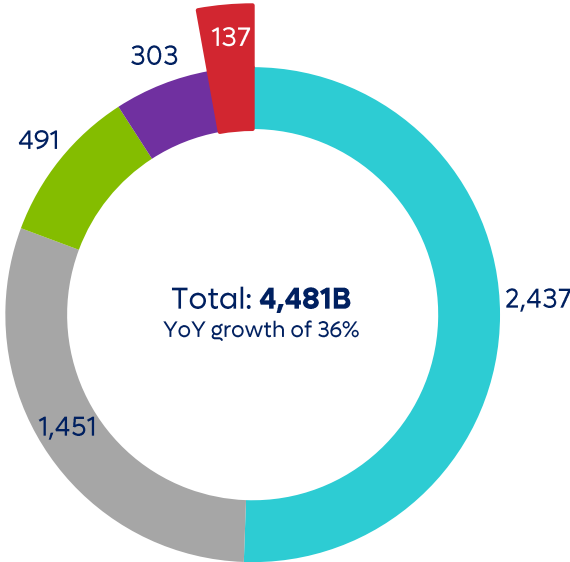


Value of transactions across our channels grew by 61% to **KShs 8.1 trillion**, showcasing KCB's position both as **an enabler and beneficiary of recovery in business activity**.

^59%
of transactions by value conducted through non branch channels

^82%
YoY growth in value of branch transactions to KShs 3.3 trillion

Value transacted through digital channels in Q3 2023 (KShs B)



YoY Change

Mobi Service*	59%
Internet Banking	51%
Agency	13%
ATMs	43%
Merchant POS	99%

*Mobi service includes B2C, C2B, B2B, Lipa Karo and Float purchase

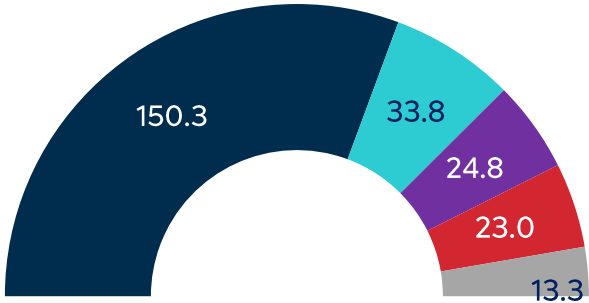


Value of mobile loans disbursed grew to an all time high of KShs 245 billion augmenting our efforts to support **households and small businesses to bounce back stronger.**

77%

Growth in value of mobile loans disbursed driven by Fuliza, introduction of term loans on KCB Mobi and new mobile lending products for small businesses.

Value of mobile loans disbursed in Q3 2023 (KShs B)



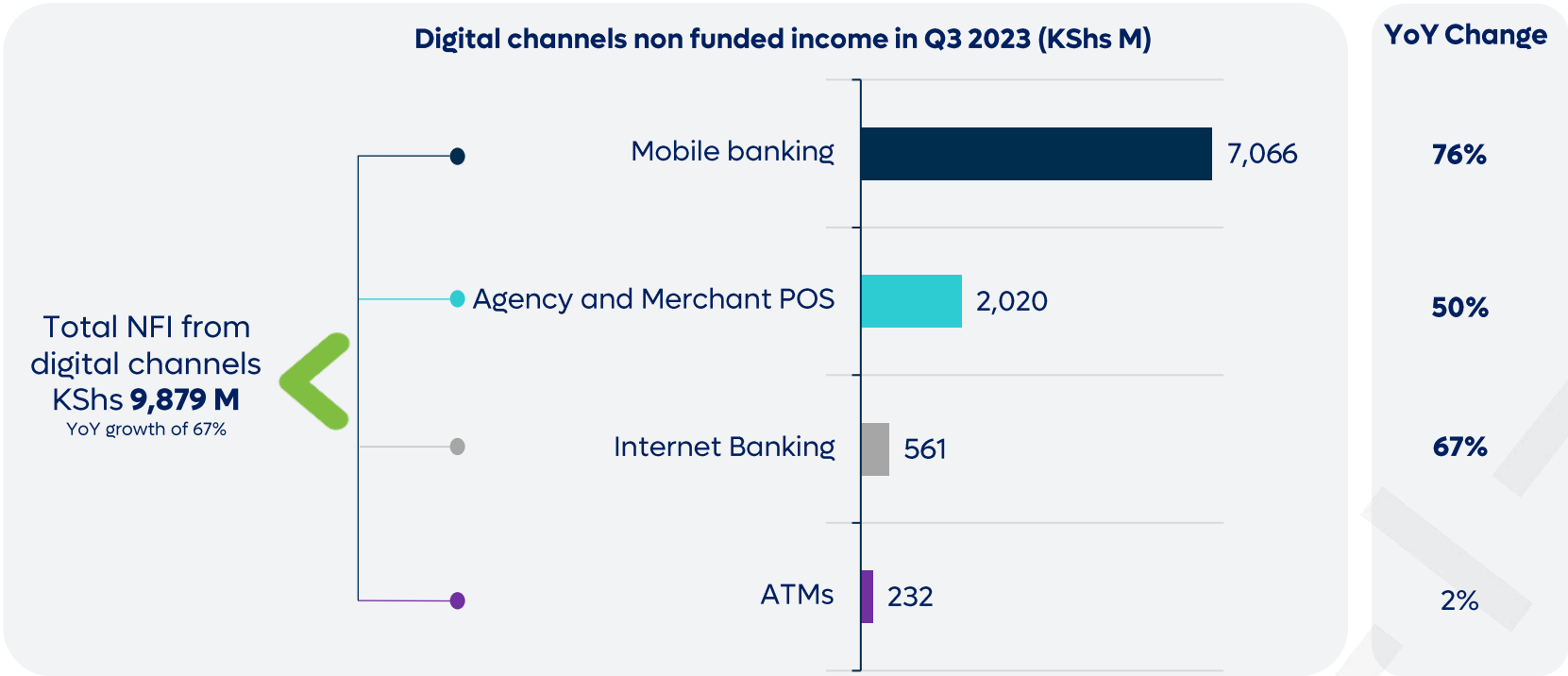
Total value of mobile loans

245.2

- Fuliza personal
▲ 69% YoY growth
- KCB MPESA
▲ 1% YoY growth
- KCB mobi loan
▲ 60% YoY growth
- Business loans
Digital overdraft and retailer financing.
- Fuliza business
Introduced in 2023



Our market leading solutions and easily accessible channels continue to deepen product uptake leading to a growth in revenue from digital channels.



Leading Bancassurance Intermediary and repositioned investment banking and asset management subsidiaries to better capitalize on existing synergies.

Bancassurance

- Giving customers the impetus to conduct their businesses and the peace of mind to thrive in life, without worrying about unforeseen events.
- Provides a suite of innovative products in medical, property, and life insurance segments.

KCB Investment Bank

Offers

- Wealth management
- Advisory
- Brokerage services
- Distribution of collective investment schemes with a focus on money market fund.

KCB Asset Management

Provides

- Fund management services
- Collective investment schemes
- Pension management services
- Corporate trustee services.

Sustained growth momentum

Our customers continue to power our growth with their resounding **#KCBNiYetu** call.
In 2023, they..

Saved more



80%

Growth in customer deposits

Borrowed more



38%

Growth in customer loans and advances

Transacted more



119%

Growth in total number of transactions across our channels

... leading to strong revenue growth across all subsidiaries.



Uganda

▲63%
KShs 3.3B



Tanzania

▲56%
KShs 4.5B



South Sudan

▲41%
KShs 1.9B



Burundi

▲16%
KShs 1.2B



Rwanda

▲12%
KShs 6.8B



DRC*

KShs 18.1B



Kenya

Non-banking
▲29% KShs 1.1B

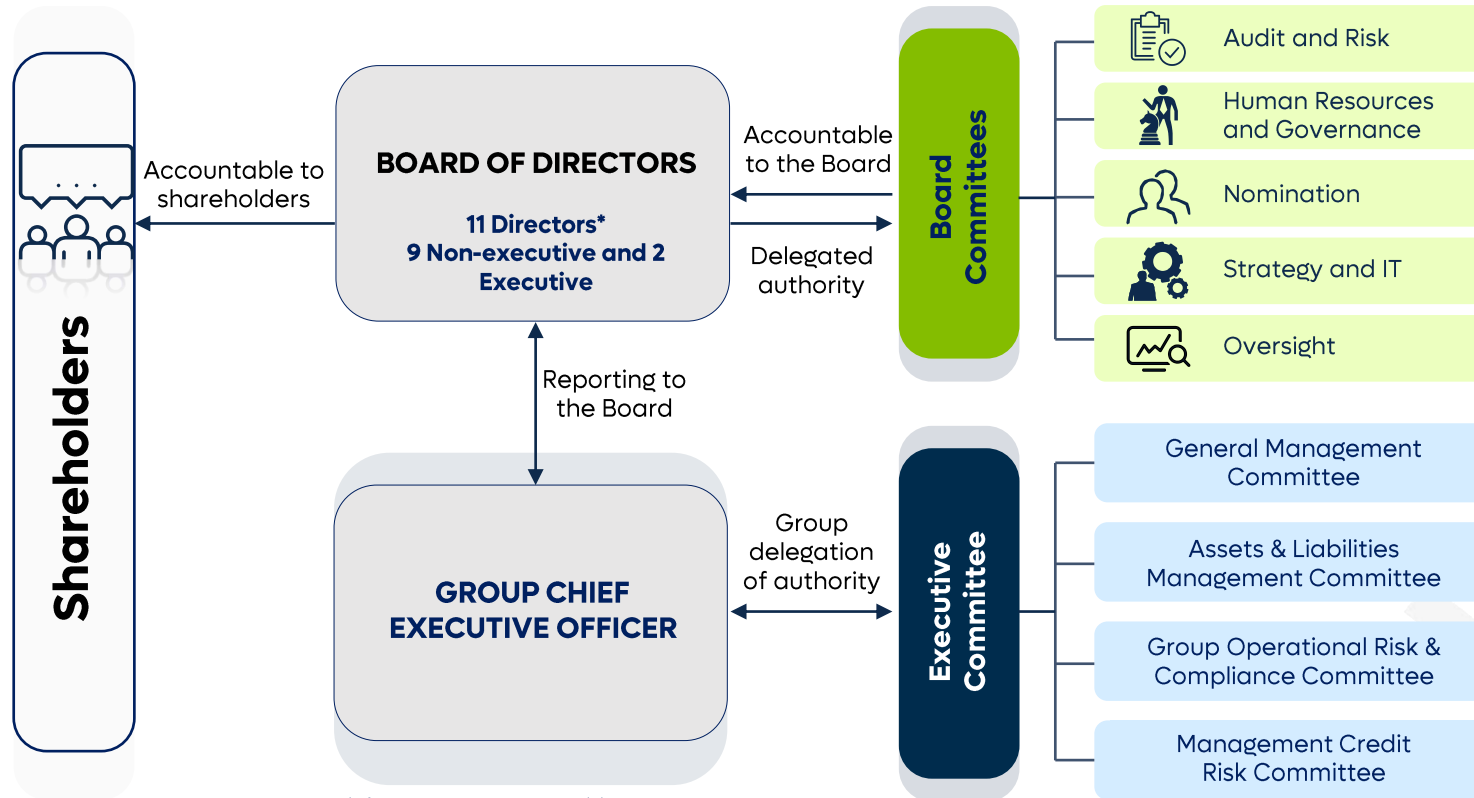
KCB Bank Kenya
▲5% KShs 71.6B

NBK
▼1% KShs 8.3B

*Acquired in Q4 2022

Sound corporate governance

We create and preserve value supported by a clearly defined governance structure which provides for oversight, delegation and clear lines of authority.



*Three vacant NED positions

We are a publicly listed company with no single majority shareholder, over 80% free float shares at the Nairobi Securities Exchange and three other regional bourses.

Our Board composition is driven by the following principles:

- The Board comprise of a **majority of independent non-executive directors**.
- The Board consist of Directors with a broad range of skills, experience and expertise and are from a diverse range of backgrounds.
- **The Chairman of the Board is an independent non-executive director.**

8 out of the 11 seats are reserved for independent, non-executive Directors elected by the Shareholders on a rotational basis at the Annual General Meeting.

In line with our Board Charter, non-executive Directors serve a term **not exceeding a total of 8 years** on the Board.

In accordance with the Board Charter, the Group Chairman serves for a **maximum term of 5 years** in that capacity.



Our senior management team mandated to ensure we remain **well positioned and responsive to regional opportunities for growth.**



Paul Russo, EBS
Group Chief Executive Officer



Lawrence Kimathi
Group Finance Director



Annastacia Kimtai
Managing Director
KCB Bank Kenya



Japheth Achola
Group Director, Human Resource



John Mukulu
Group Chief Risk Officer



Bonnie Okumu
Group General Counsel



Charles Lang'at
Group Internal Auditor



Rosalind Gichuru
Group Director, Marketing and Communications



Dennis Volemi
Group Director, Technology



Cosmas Kimario
Ag. Group Regional Businesses Director and MD KCB Tanzania



Jackline Bosibori
Ag. Group Director, Shared Services



Our senior management team mandated to ensure we remain **well positioned and responsive to regional opportunities for growth.**



Cosmas Kimario

Ag. Group Regional Businesses Director and MD KCB Tanzania



George Odhiambo

MD National Bank of Kenya



Patience Mutesi

MD BPR Bank Rwanda



Edgar Byamah

MD KCB Bank Uganda



Jaldesa Roba

MD KCB Bank South Sudan



Oliver Meisenberg

MD TMB



Masika Mukule

MD KCB Bank Burundi

Sustainability

The Group continues to align its practices to address climate related risks and tap on opportunities in **financing projects aimed at addressing climate change.**

01

Governance

- Board oversight ESG matters through Audit & Risk committee.
- 89% of staff took a Group wide online Sustainability course in 2023.



02

Strategy

- Focus on green lending. >KShs 18.5 billion green facilities approved.
- 3% increase in resource use. Planted 283,000 trees as part of our carbon offset program.



03

Risk management

- Revised 8 policies to enhance climate risk management.
- Screened loans worth KShs 454.2 billion under ESDD¹ as at Q3 2023.



04

Metrics and targets

- Target to be a net zero carbon emitting business by 2050.
- 13.9% of our loans are green loans. Targeting 25% of our portfolio by 2025.



¹ Environmental and social due diligence tool.

We are turning risks into opportunities while driving large scale green businesses in East Africa through climate finance.

Opportunities

- In 2023, we have financed green projects worth KShs. 12.4 billion in Kenya and KShs. 6.1 billion in Rwanda.
- Great opportunities lie in the manufacturing and infrastructure sectors in renewable energy and energy efficiency.
- Sustainable Transport.



Impacts

- Reduction of emissions.
- Reduction of risks and better control of asset quality.
- Ability to provide financial inclusion to minority groups who are most affected by climate change.
- Fostering eco friendly innovation while stimulating sustainable economic growth.

The Group published its 2022 Sustainability report highlighting the progress we have made in **creating impactful shared value**



KCB Group is a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Global Compact (UNGC) principles and a founding member and signatory to the Principles for Responsible Banking (PRB)

Our Sustainability report summarises the Group's approach to ESG risk management, with additional emphasis on the approach to climate risk mitigation, and the contribution made to developmental impact objectives.



Our Sustainability ESG - GPS rating by Risk Insights rose from 2 to 3 supported by increased ESG metrics reported in the 2022 Sustainability Report.



The report is available at <https://kcbgroup.com/sustainability/>

Creating shared value

To create shared value, we leverage our products, policies and programmes to deliver **social and economic impact in the markets we operate in.**



Youth employment through 2Jijiri

- 100 greenhouses at the Foundation's model farm earning youth participants **KShs 19.1 million in sales.**
- Scaled the program to our subsidiaries in Uganda, Tanzania, Rwanda and Burundi **reaching 3,100 youth** with vocational and entrepreneurship skills while providing 1,046 toolkits to support transition to employment.
- Aiming to provide business development services for **25,000 MSME enabling them to access KShs 1.5 billion** in working capital in the next one year with support from Mastercard Foundation.

2Jijiri Impact

26,415 youth have received training since inception

Disbursed over KShs 260M in working capital loans

Created over 64,380 and 102,376 direct and indirect jobs

Creating shared value

To create shared value, we leverage our products, policies and programmes to deliver **social and economic impact in the markets we operate in.**

14 ASAL Counties under Mifugo ni Mali program

- We have supported construction of feedlots, livestock markets, value addition and access to markets.
- We work with farmer producer organisations (FPOs) to build their capacity and avail extension services under the program.
- **Supported 118 farmer-producer organizations reaching 35,400 farmers** to increase productivity, access inputs and value addition equipment as well as linkage to markets.

Disbursed KShs 103 million to FPOs for the acquisition of value addition equipment.

Supported the maintenance & improvement of 76,070 jobs across the various value chains of Livestock, apiculture and blue economy.

Supported 21 counties hard-hit by the ravaging drought at a cost of KShs. 150M impacting over 10,000 households.

Creating shared value

To create shared value, we leverage our products, policies and programmes to deliver **social and economic impact in the markets we operate in** (continued)



Scholarship programme



4,657
Scholarships
Awarded



2,715
Students currently
in school



99%
Secondary
completion Rate



84%
Transition to
University



267
Tertiary Scholarships
Awarded



537
Secondary Schools
Engaged

Benefited 4,657 beneficiaries with a cumulative investment of over KShs 1.2B

Includes internship through apprentice model through KCB and its partners after graduation.

1,092 scholarships availed in 2023.

Targets bright but marginalized students, FGM champions, teenage mothers, girls rescued from early marriages, boys from regions highly affected by cattle rustling, and areas with high poverty indices.

We take pride in having consistently been rated and ranked among the **leading financial institutions in the continent based on various parameters.**

Award Organisation	Award
Global Finance - World's Best Bank Awards 2023	Best Bank Kenya
Finance Derivative	Best Responsible Retail Bank Kenya 2023 Best SME Bank Best Sustainable Bank
Global Banking and Finance	Best CSR Bank Kenya 2023 Best Retail Bank Kenya 2023 Best Digital Wallet Kenya 2023
International Business Magazine	Best Sustainable Bank 2023 Best CSR Bank Kenya 2023 Best Commercial Bank
Brand Finance	Most Valuable Banking Brand
Global Finance	Safest Bank in Kenya

Award Organisation	Award
Think Business Awards	Best Bank in Corporate Social Responsibility
Africa Banker Awards	Best SME Bank
African Banker Awards 2023	Central Africa Regional Bank of the Year – Trust Merchant Bank
Think Business Insurance Awards – KCB Bancassurance	Overall winner Most Customer-Centric Bancassurance Intermediary Best Bancassurance Intermediary on Digital Applications and Usage Best Bancassurance Intermediary in the Non-Life Insurance Category
Automotive Industry Awards	Best Bank in Auto Finance 2023

Sustainable Sports sponsorship supporting over 150 individuals to earn livelihoods from sports across volleyball, rugby, motorsport, football, chess, athletics and golf.

Volleyball



#1

in the Kenya Volleyball Federation league after winning the playoff.

Represented Kenya in May 2023 Tunisia at the African Club Championship

6 players in the national team.

WRC



Over the years, **KCB has invested over KShs. 1.2 billion** into WRC which has seen several promising young drivers emerge to compete across the local, regional & international rallies.

Rugby



#1

in Kenya after winning SportPesa Sevens Circuit, Impala Flood lights.

No 2 in the Kenya Cup. Only local club which participated in the Safari Sevens having been crowned the Sevens circuit winner.

6 players in the 7s National team
5 players in the 15s National team

02

Business Overview

> **Financial Performance**

FY 2023 Outlook

Appendices

For People. For Better.

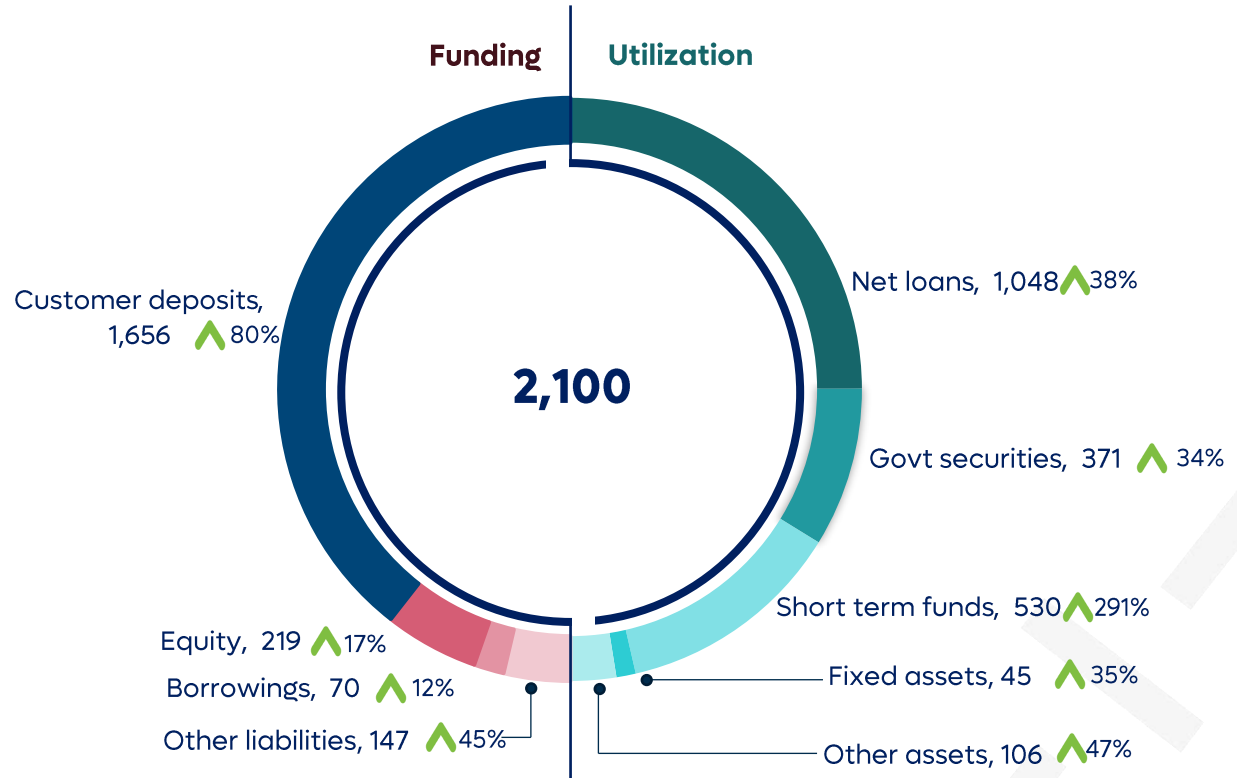
Strong growth in the balance sheet propelled total assets beyond KShs 2 trillion, a first for our region driven by new business lines and the consolidation of TMB.

^ 2^{KShs} Trillion

Balance sheet size, up 65%, 43% from organic growth and a further 22% from the consolidation of TMB.

^ 1^{KShs} Trillion

Net loans crossed one trillion shillings mark, another first in our region. **Organic growth of KShs 214B** and KShs 75B from the consolidation of TMB.



Significant momentum in balance sheet growth across all subsidiaries led by KCB Bank Kenya, Tanzania and Uganda.

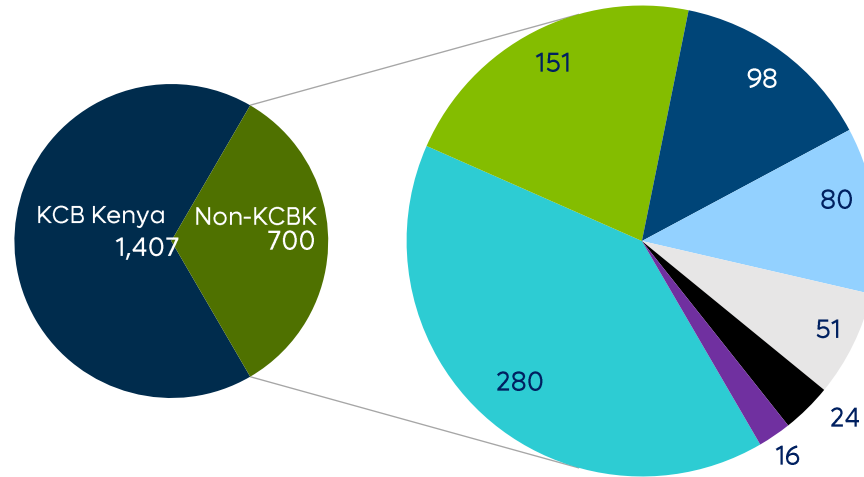
33.4%

Proportion of assets in subsidiaries outside of KCB Bank Kenya, up from 26.4% in Q3 2022

13.3%

TMB's contribution to total assets.

Total assets distribution



YoY Change

KCB Kenya	50%
TMB	33%*
NBK	8%
BPR	13%
KCB Tanzania	48%
KCB Uganda	70%
KCB S Sudan	21%
KCB Burundi	20%

*YTD growth

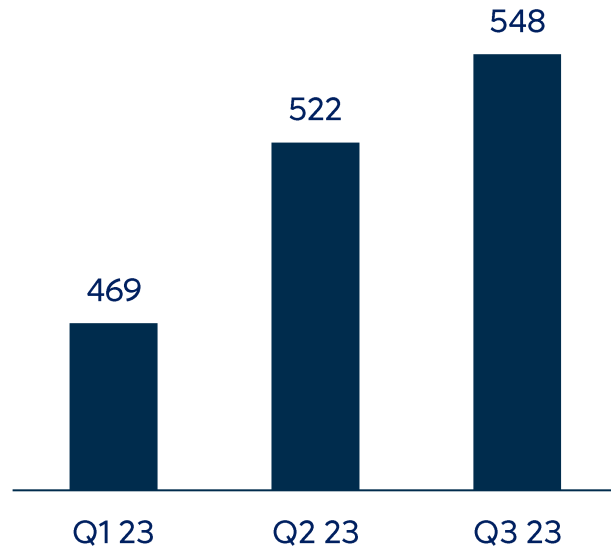
Amounts in KShs Billion

2.7x increase in total assets in subsidiaries outside Kenya driven by strong organic growth in Tanzania & Uganda and the consolidation of TMB.

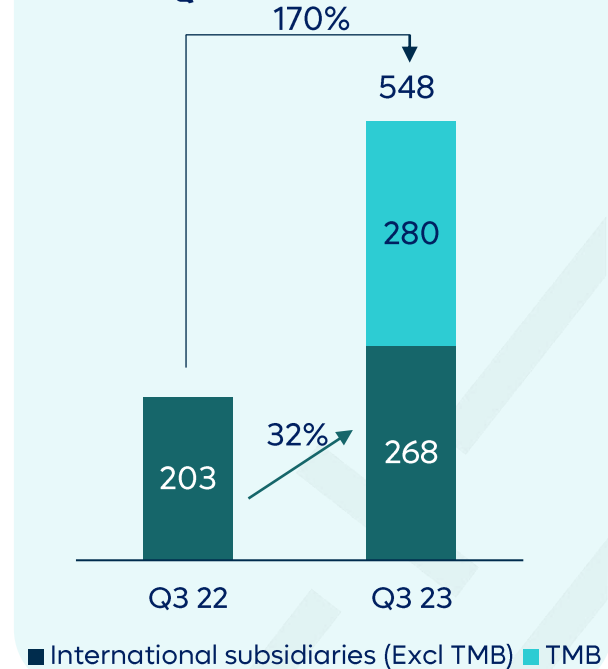
KShs
548 billion

Total assets in subsidiaries outside Kenya.

Total assets in subsidiaries outside Kenya. Quarterly trend in 2023



YoY growth



Amounts in KShs Billion

We availed more financing to households and businesses in key sectors of the economy such as transport & communication, trade and manufacturing in 2023.

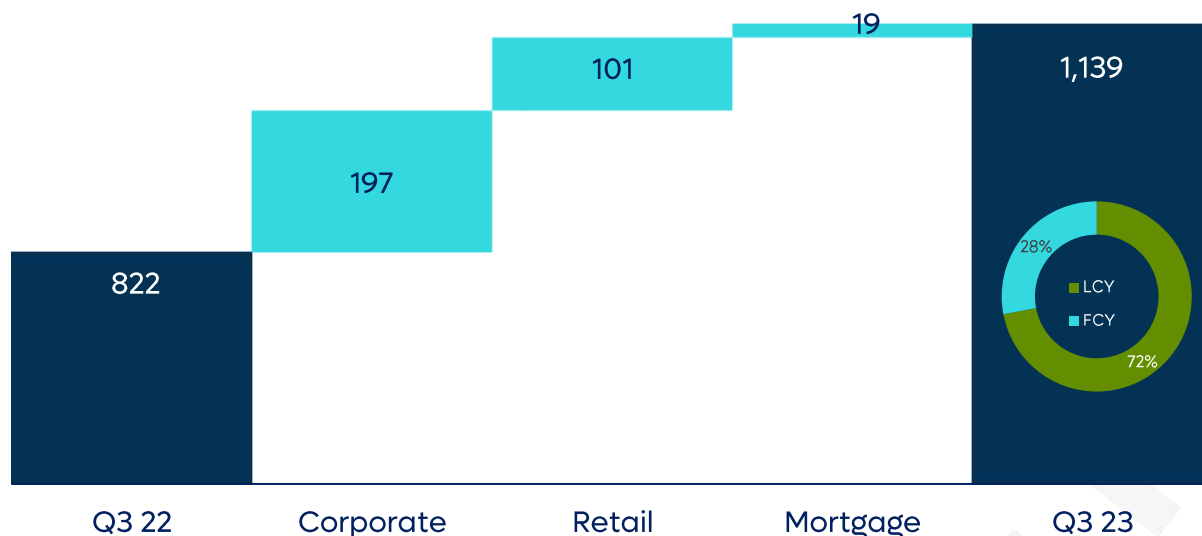
^38.6%

Growth in gross loans.
Organic and **inorganic**
growth accounted for **27%**
and **11%** increase
respectively.

7.2%

TMB's contribution to net
loans and advances.

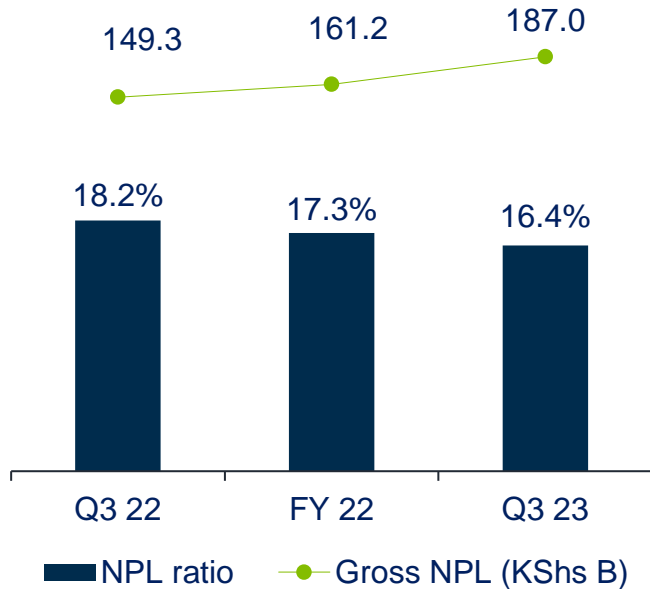
Gross loans growth



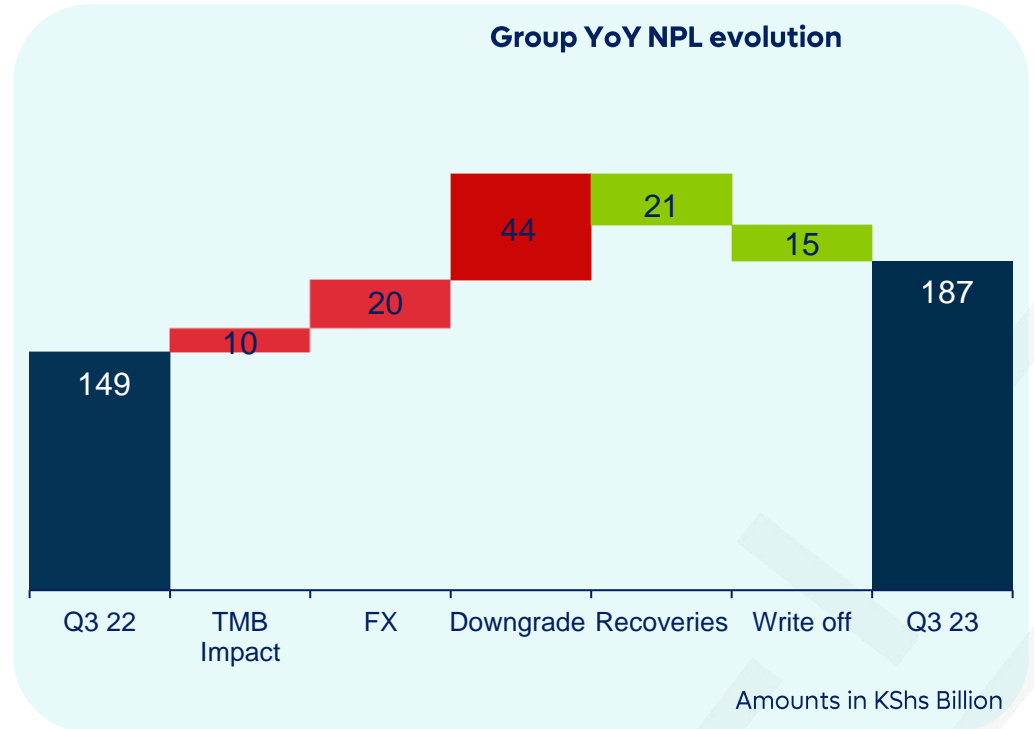
Amounts in KShs Billion

Sustained drop in NPL ratio driven by improvement in tourism and transport sectors. NPL stock increase due to downgrades in the period and FX impact.

Group NPL stock evolution

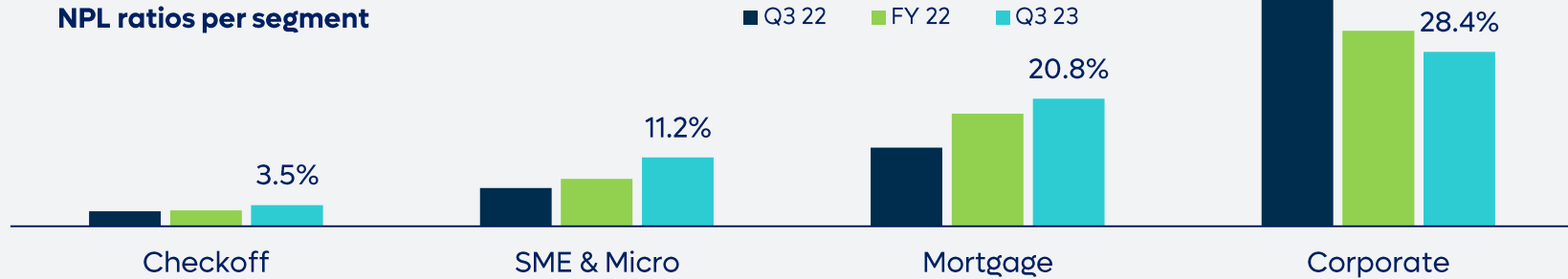


Group YoY NPL evolution

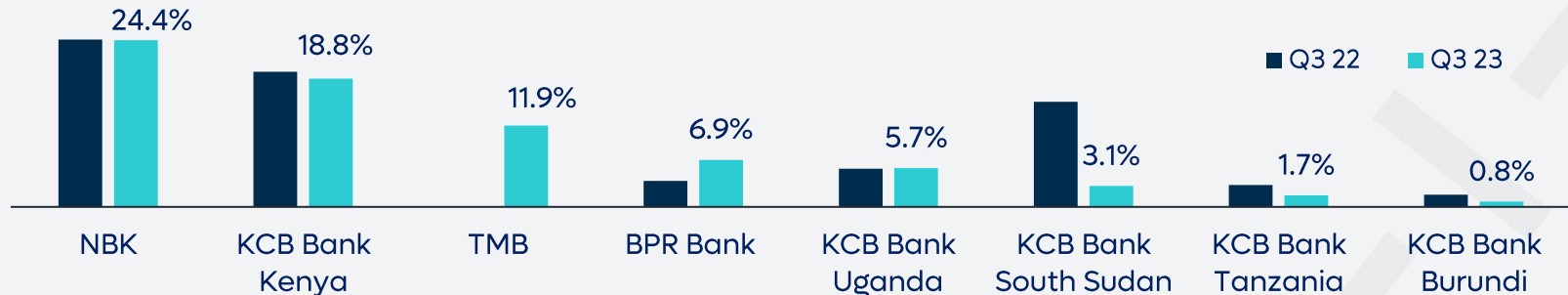


YoY decrease in NPL ratio supported by improvement in corporate banking in KCB Bank Kenya and drop in NBK, South Sudan, Tanzania and Burundi.

NPL ratios per segment



NPL ratios per subsidiary

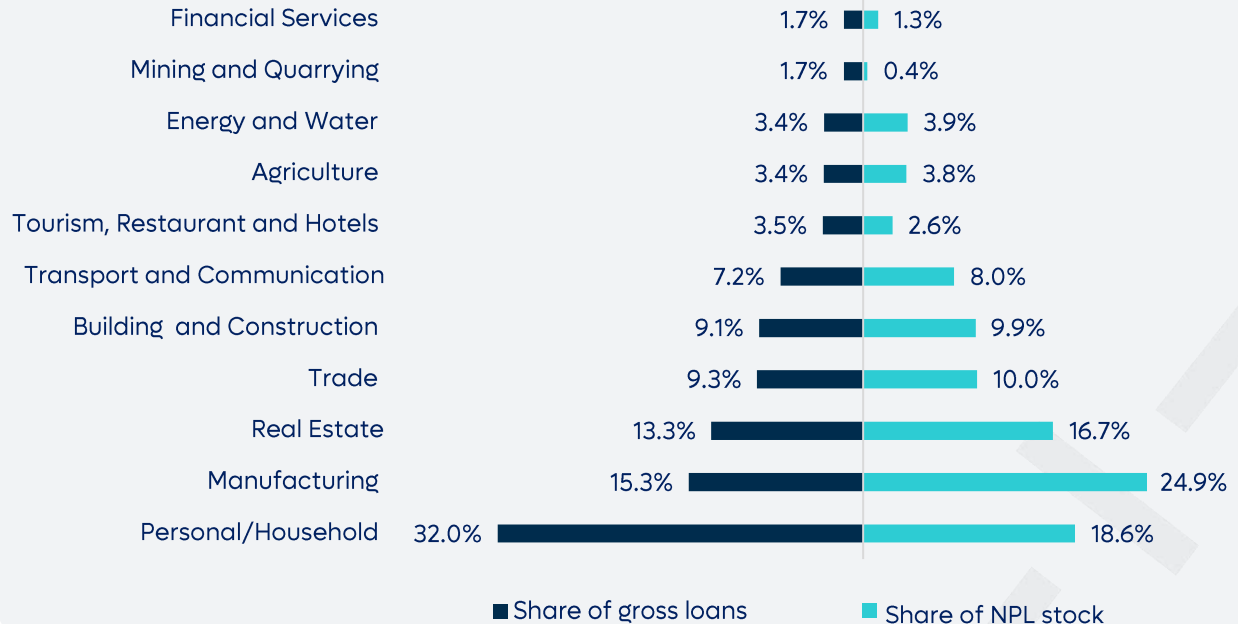


Contribution to the stock of non-performing loans is concentrated within a few sectors as legacy NPLs in tourism and transport sectors continue to decline.

32.0%

Share of gross loans
in personal and
household sector.

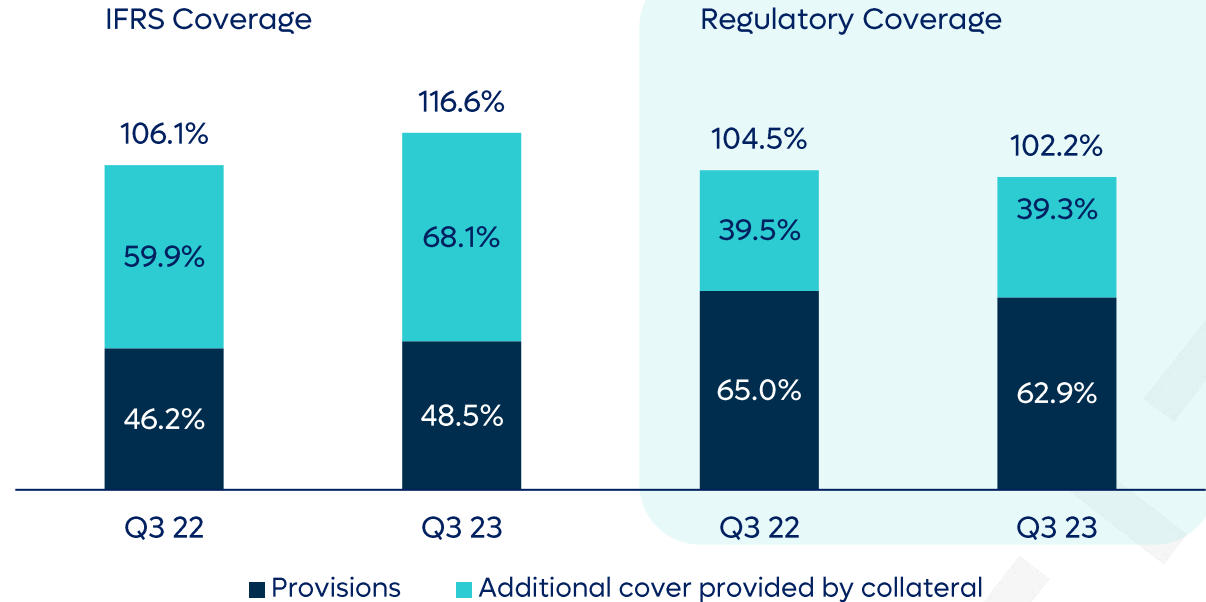
Sectoral contribution to Gross loans and NPL stock



We continue to take prudent measures on the non-performing loan book aimed at building and maintaining **adequate coverage both from provisions and securities held.**

The non-performing loan book has full coverage from cash provisions and collateral held.

Coverage ratios

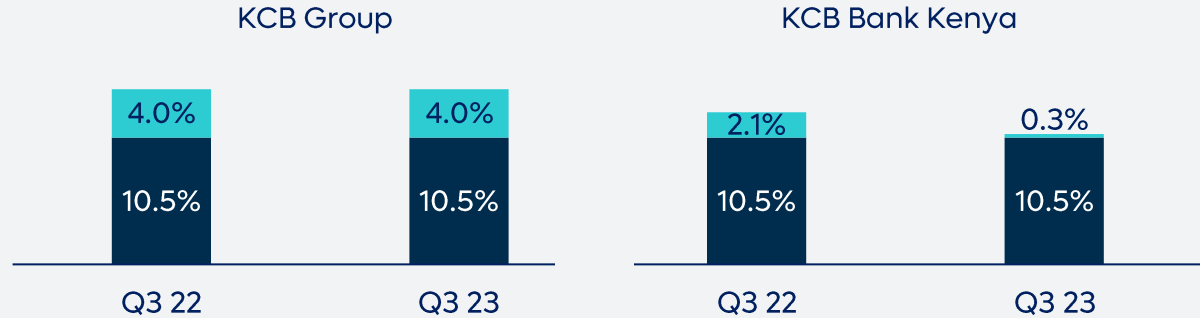


All subsidiaries except for NBK are compliant with core and total capital requirements and are **adequately capitalized to drive growth of risk weighted assets.**

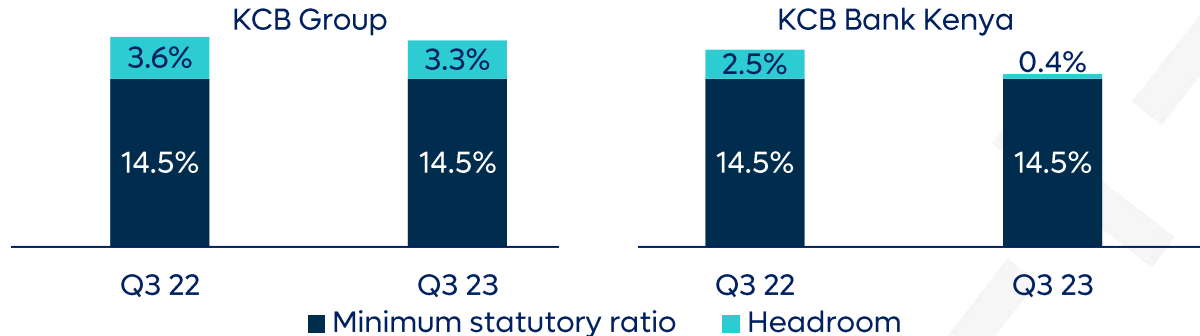
NBK below core and total capital adequacy ratios by 3.6% and 2.9% respectively. Ratios impacted by loss registered in 2023.

Management exploring options to correct this position.

Core Capital Adequacy Ratios



Total Capital Adequacy Ratios



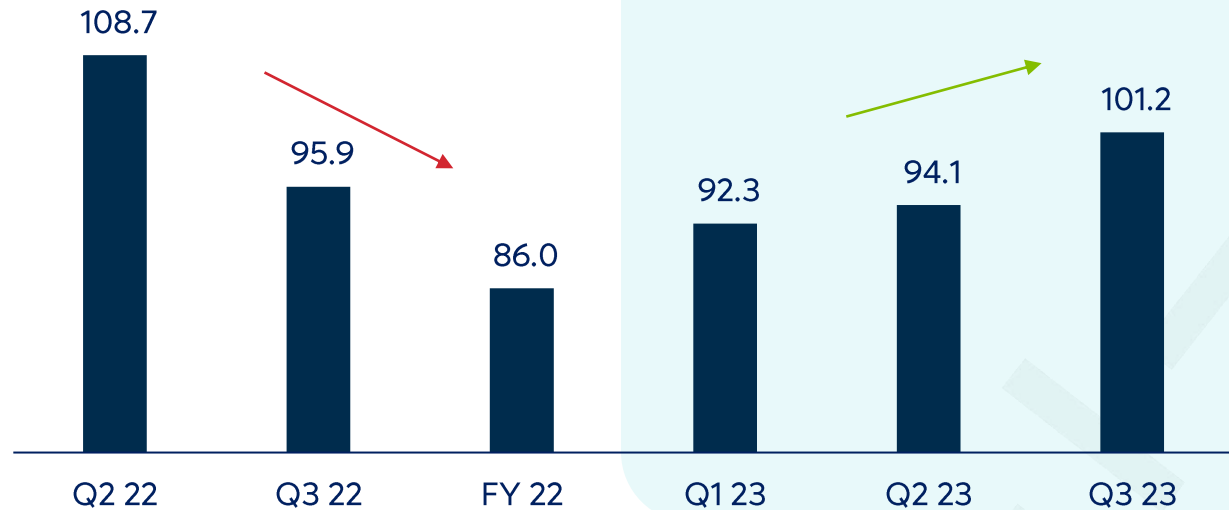
Sustained organic growth in core capital in KCB Bank Kenya from profits in 2023. Thin buffers are as a result of a faster growth in risk weighted assets driven by lending in the period.

Strong growth in core capital projected for FY 2023. 100% of net earnings for the period to be eligible as core capital after the results have been audited in FY.

Projected minimum core capital headroom

FY 2023: 200bps
 FY 2024: 400bps
 FY 2025: 500bps

KCB Bank Kenya Core Capital

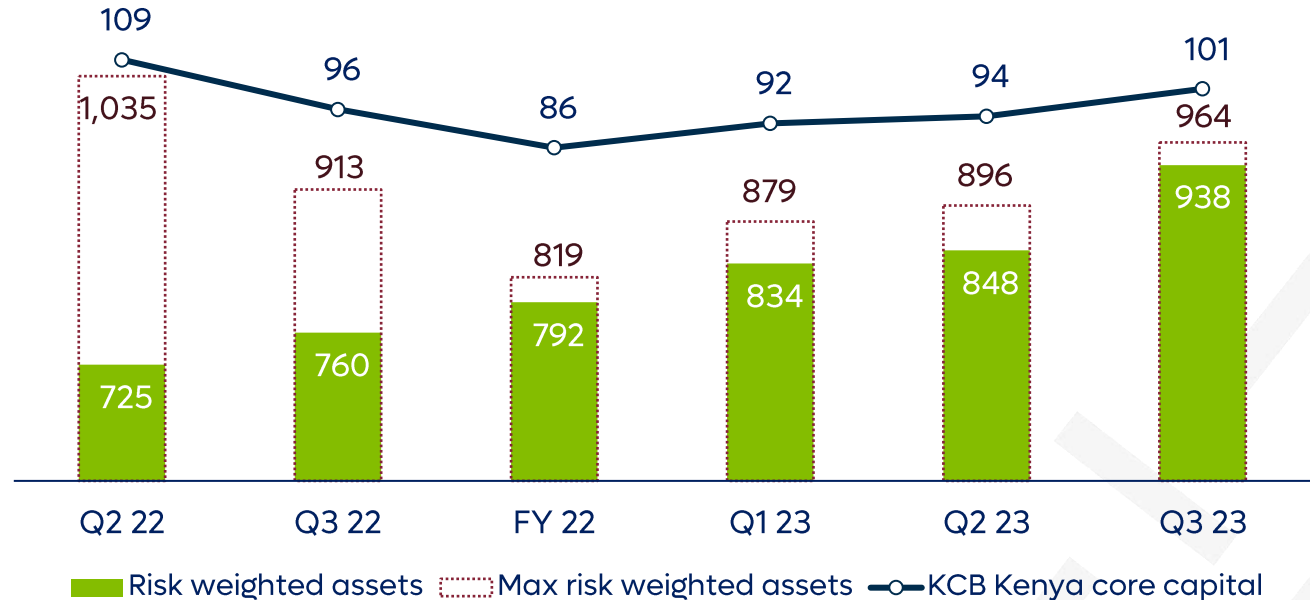


Amounts in KShs Billion

The drop in capital ratios has not impacted lending in KCB Bank Kenya as the **buffers remained more than adequate to sustain our growth trajectory.**

Our risk management framework ensures that we always match our appetite to our capital both on an ongoing basis and under stress scenarios.

Quarterly growth of core capital vs risk weighted assets in KCB Bank Kenya



Amounts in KShs Billion

Customer deposits increased to KShs 1.7 trillion, driven by organic growth in demand and term deposits in the existing businesses and the consolidation of TMB.

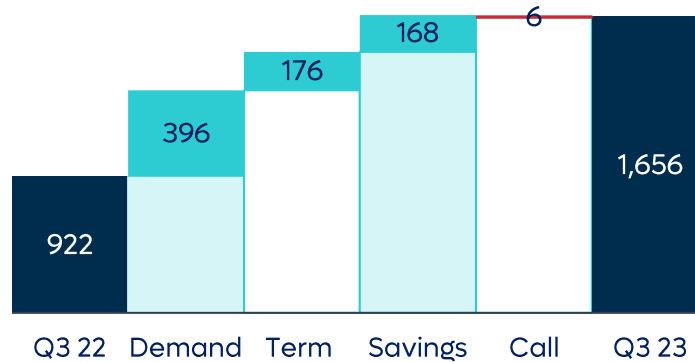
79.6%

Increase in customer deposits, 54% from organic growth and 26% from the consolidation of TMB.

14.4%

Contribution to total customer deposits from TMB

Growth in customer deposits (KShs B)

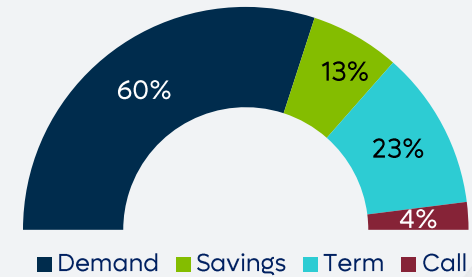


Deposits mix

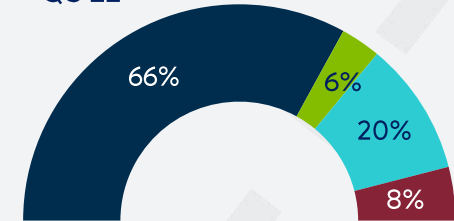


Deposits by type

Q3 23

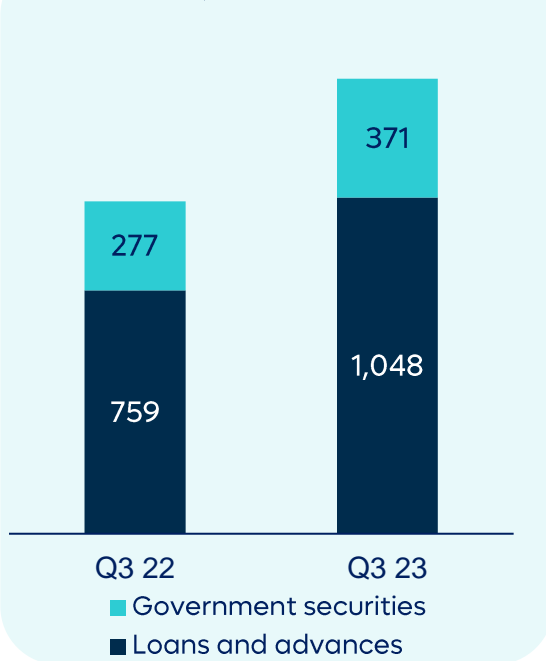


Q3 22

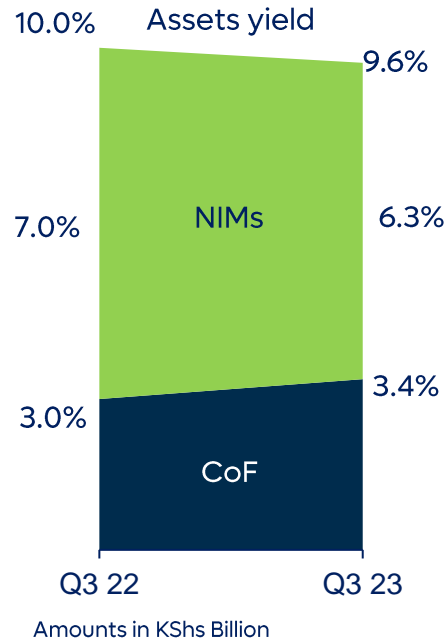


Decline in net interest margin due to increased cost of funds as a result of the high-interest-rate environment. Rollout of risk-based pricing to support appropriate funding/lending spread.

Loans and government securities



Yields vs cost of funds



Interest rates trend

	Sep 22	Dec 22	Sep 23
SOFR	1.5%	3.0%	5.2%
Kenya Interbank	5.6%	6.5%	12.4%
91 day T-Bills			
Kenya	8.9%	9.4%	14.5%
Burundi	3.5%	3.5%	5.5%
Rwanda	6.9%	7.3%	8.2%
Tanzania	3.0%	3.6%	6.0%
Uganda	10.4%	10.5%	10.0%

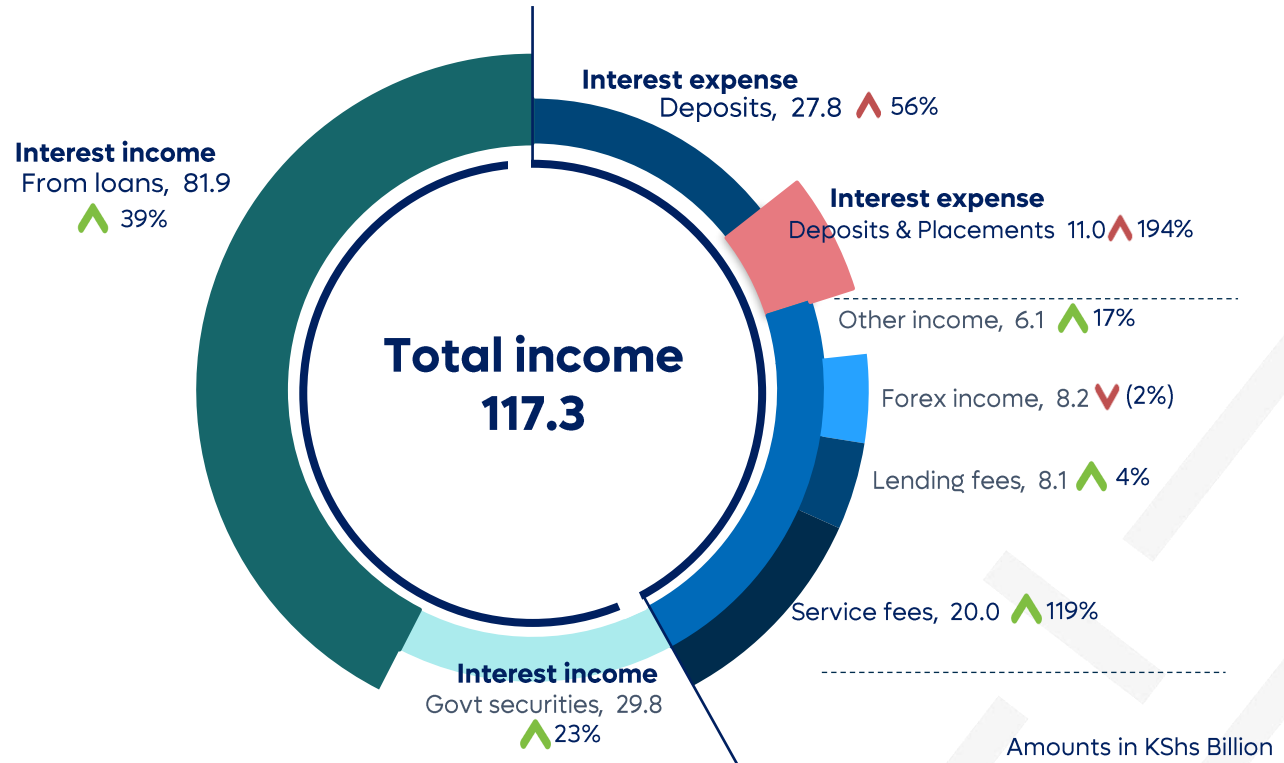
We delivered a strong sustainable growth in revenue from new business lines, deepening of digital channels and market leading customer value propositions.

^ 27%

Increase in revenue driven by interest income from customer loans & government securities, NFI growth from trade finance & digital transactions and the impact of consolidation of TMB.

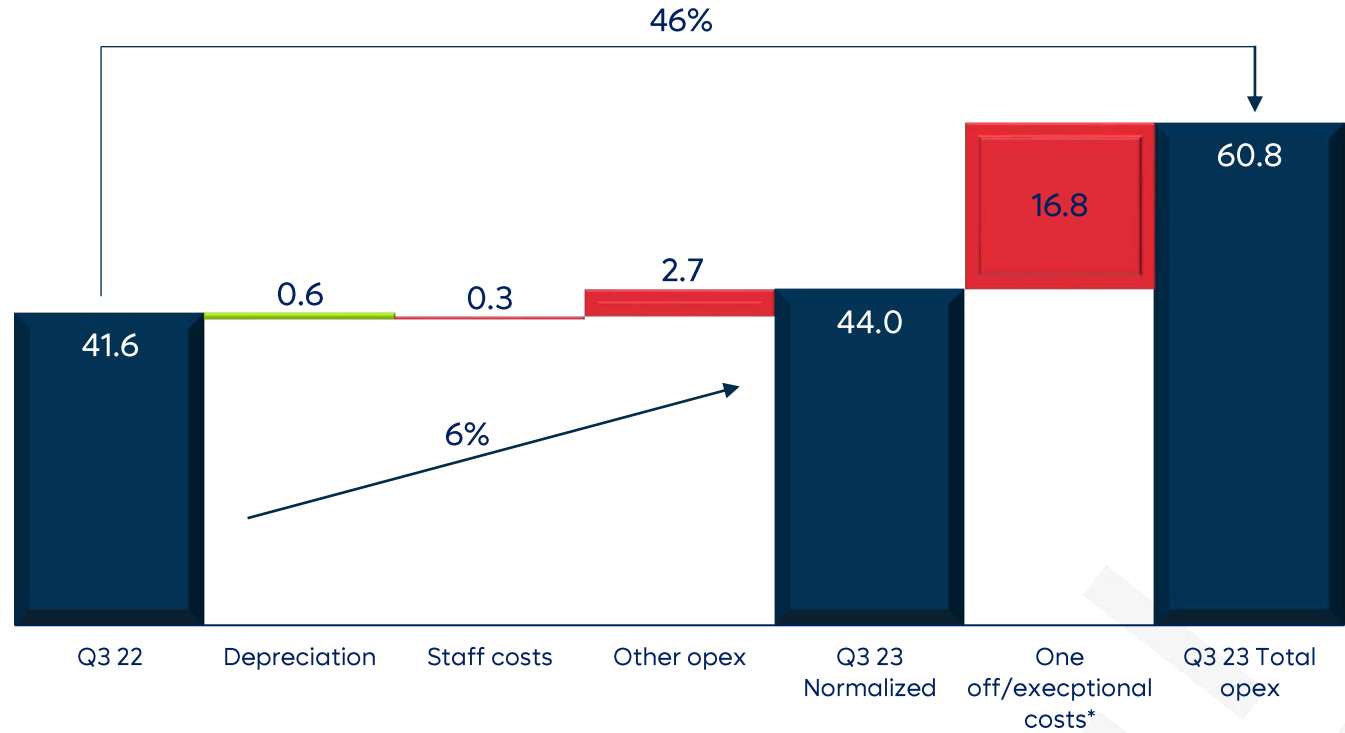
^ 3x

Increase in trade finance book to KShs 477 billion



Growth in operating costs driven by exceptional cost items from the consolidation of TMB, provision for NBK court ruling and staff rationalization program.

Growth in other operating costs driven by customer acquisition activities and investments in technology.



*TMB impact, provision for NBK court ruling and staff rationalization program.

Amounts in KShs Billion

Our strong growth in pre-provision operating profits support our resolve to **build loan loss cash provisions without impacting shareholder value.**

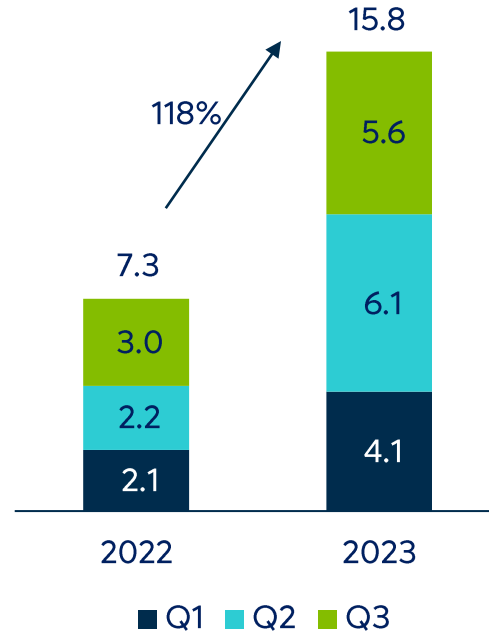
118%

Increase in provisions charge in 2023 to build up coverage for downgraded facilities and offset impact of currency depreciation for USD denominated loans in Kenya

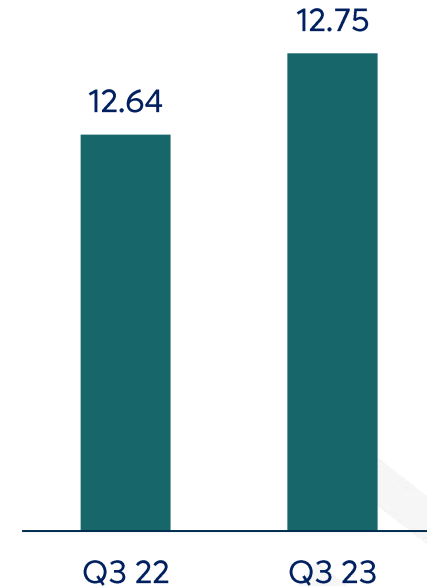
12%

Growth in pre-provision operating profit to KShs 56B

Loan loss provision expense (KShs B)



Earnings per share (KShs)

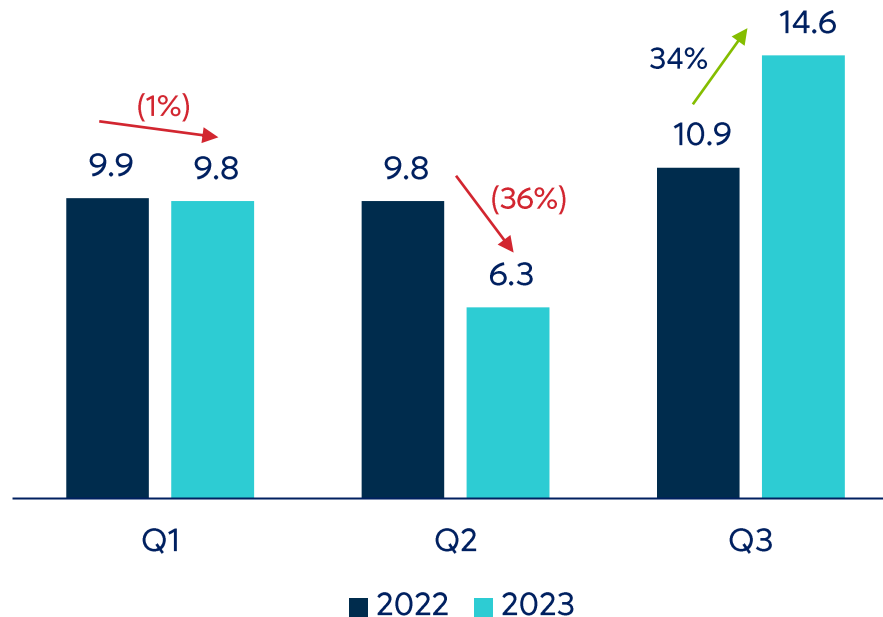


Record performance in the third quarter saw net earnings for the nine months in 2023 **increase to KShs 30.7 billion.**

Fully recovered lost ground in 2023.

Record performance in the third quarter more than offset the drop registered in the first half of the year resulting in a year-on-year increase in net earnings.

KCB Group quarterly net earnings



Nine months net earnings



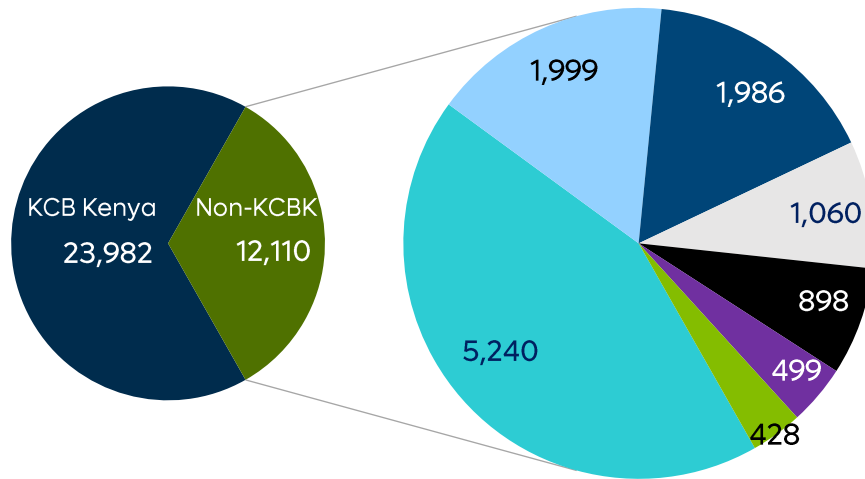
Amounts in KShs Billion

Strong growth in profitability achieved across all our subsidiaries more than offset the impact of loss at NBK netting an overall growth in net earnings for the Group.

3.6x growth in net profits at KCB Investment Bank to KShs 93M.

Net loss of KShs 3.0 billion at NBK in Q3 2023 due to legal award, increased cost of borrowings and provisions.

Net profit contribution per subsidiary



Amounts in KShs million

Numbers include the holding company balances which are consolidated as part of the overall Group position

YoY Change

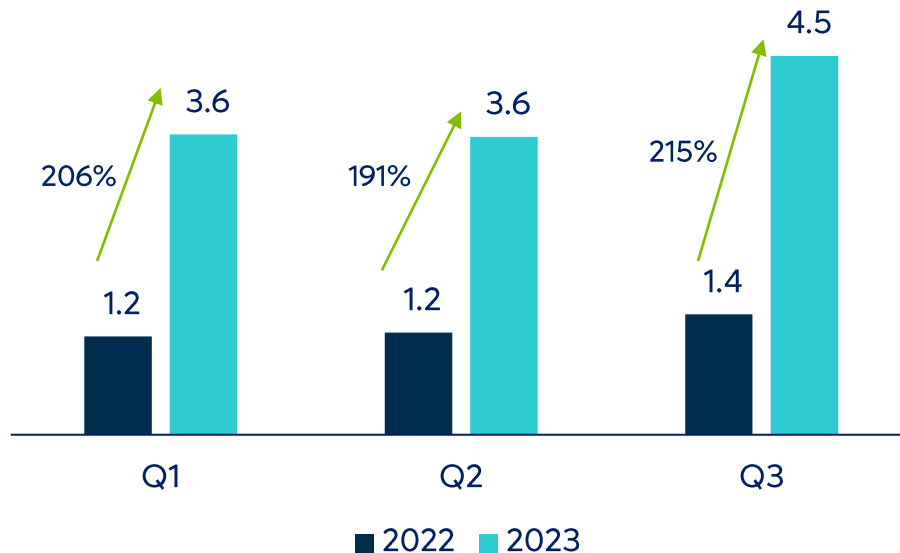
KCB Kenya	(9%)
TMB	N/A
KCB Tanzania	157%
BPR	22%
KCB Uganda	129%
KCB S Sudan	79%
KCB Burundi	5%
KCBIL*	18%

* KCB Bancassurance Intermediary Limited

3x growth in net earnings from subsidiaries outside Kenya to KShs 12B driven by strong organic growth in Tanzania, Uganda & South Sudan and the consolidation of TMB.

Subsidiaries outside Kenya net earnings

Quarterly net earnings



Nine months net earnings

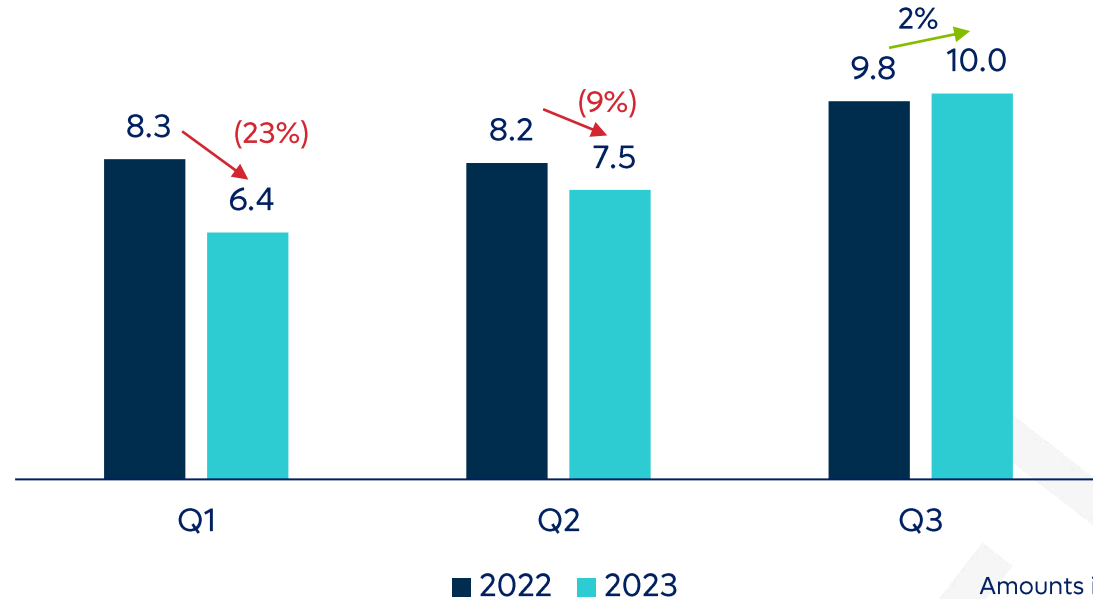


Amounts in KShs Billion

33% quarter on quarter increase in net earnings in KCB Bank Kenya driven by strong growth in revenue and an easing of cost of funds.

Strong performance in the third quarter helped to reduce the year-on-year drop to 9% in Q3 from 16% in half year.

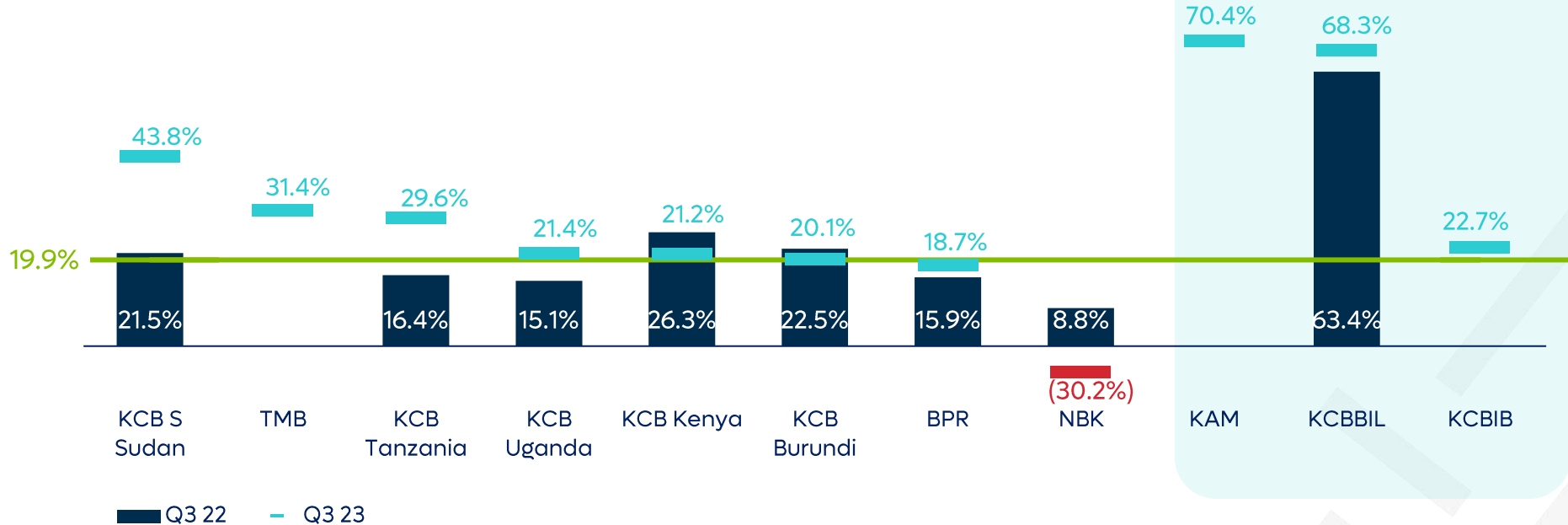
KCB Bank Kenya quarterly net earnings



High return on equity across subsidiaries with the Group ROE improving to 19.9% from 15.9% in H1 2023 on improved profitability.

Banking subsidiaries

Non-banking subsidiaries



TMB – Acquired in December 2022.

KAM (KCB Asset Management) and KCBIB (KCB Investment Bank) re-positioned in 2023.

KCBIL – KCB Bancassurance Intermediary Limited.

03

Business Overview

Financial Performance

➤ **FY 2023 Outlook**

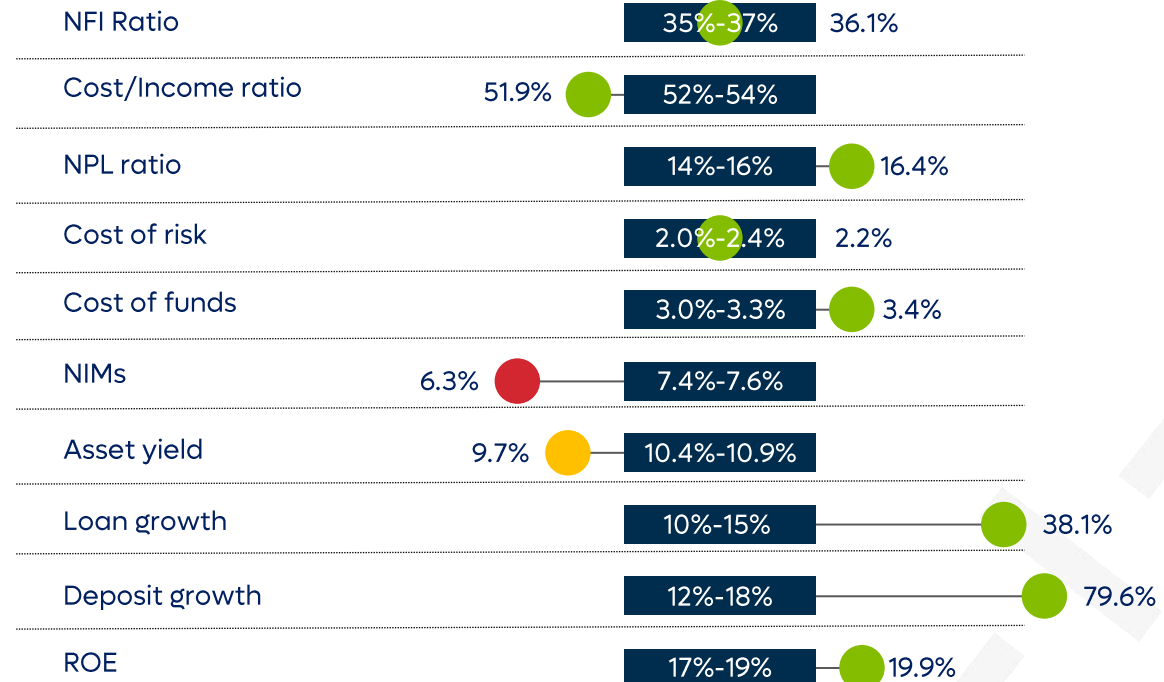
Appendices

On track with our FY 2023 guidance supported by improved performance in Q3. Asset yield impacted by NPL book with slow drop in cost of funds exacerbating the impact on NIMs.

Growth of CASA deposits on the back of improved liquidity in the market to support further reduction in cost of funds and improvement in net interest margins.



Outlook





04

Business Overview

Financial Performance

FY 2023 Outlook

> Appendices

For People. For Better.



Overview of key financial ratios

KCB GROUP				Q3 2023	
Q3 22	FY 22	H1 23		KCB Kenya	KCB Group
23.3%	23.0%	15.9%	Return on average equity	21.2%	19.9%
45.1%	45.7%	55.3%	Cost to income	38.7%	51.9%
18.2%	17.3%	17.4%	Gross NPL to gross loans	18.8%	16.4%
61.4%	60.7%	59.7%	NPL regulatory coverage	61.9%	62.9%
33.4%	31.8%	31.1%	Debt to equity	46.1%	32.1%
33.2%	33.3%	37.7%	Non funded income (NFI) to total income	34.2%	36.1%
25.8%	25.2%	27.7%	Mobile NFI to total fees and commissions	44.8%	25.1%
3.0%	3.1%	3.5%	Cost of funds	3.9%	3.4%
7.0%	7.0%	6.1%	Net interest margin	6.6%	6.3%
1.4%	1.7%	2.2%	Cost of risk	2.0%	2.2%
82.3%	76.2%	65.6%	Net loans to deposits ratio	65.1%	63.3%
21.7%	19.1%	19.4%	Government and other securities to total assets	20.1%	17.7%
16.4%	27.8%	32.1%	Growth of net loans and advances	25.5%	38.1%
7.4%	35.6%	61.9%	Growth of customer deposits	64.2%	79.6%

Summary statement of financial position as at 30 September 2023

KShs Billion	KCB Group			KCB Bank Kenya		
	Q3 22	Q3 23	Y-O-Y Change	Q3 22	Q3 23	Y-O-Y Change
Cash and balances with central bank	73.1	104.0	42%	60.0	74.2	24%
Balances with other institutions	62.4	426.0	583%	25.5	226.3	786%
Investments in Govt & other securities	277.1	371.3	34%	191.8	282.1	47%
Net loans and advances	758.8	1,047.9	38%	581.0	729.3	26%
Fixed assets	33.3	44.9	35%	22.5	24.7	10%
Other assets	71.6	105.5	47%	58.6	70.2	20%
Total assets	1,276.3	2,099.5	65%	939.6	1,406.9	50%
Customer deposits	922.3	1,656.4	80%	682.0	1,119.5	64%
Balances due to other banks	32.7	36.1	10%	13.4	10.7	(20%)
Long-term debt	62.7	70.2	12%	53.9	63.2	17%
Other liabilities	68.4	110.7	62%	48.1	76.2	58%
Total liabilities	1,086.1	1,873.4	72%	797.4	1,269.7	59%
Shareholders' equity	187.8	218.8	17%	142.2	137.2	(3%)
Total liabilities and equity	1,276.3	2,099.5	65%	939.6	1,406.9	50%

Summary statement of Profit or Loss for the year ended 30 September 2023

KShs Billion	KCB Group			KCB Bank Kenya		
	Q3 22	Q3 23	Y-O-Y Change	Q3 22	Q3 23	Y-O-Y Change
Interest income	83.5	113.9	36%	61.0	74.8	22%
Interest expense	(21.9)	(39.1)	78%	(15.2)	(27.6)	82%
Net interest income	61.6	74.9	22%	45.8	47.1	3%
Foreign exchange income	8.4	8.2	(2%)	6.3	5.6	(11%)
Net fees and commissions	17.0	28.1	66%	12.6	15.8	25%
Other income	5.2	6.1	17%	3.5	3.1	(11%)
Non-funded income	30.6	42.4	39%	22.3	24.5	10%
Total Income	92.1	117.3	27%	68.2	71.6	5%
Total operating expenses	(41.6)	(60.8)	46%	(25.6)	(27.7)	8%
Loan impairment	(7.3)	(15.8)	118%	(5.5)	(11.4)	108%
Profit before tax	43.3	40.6	(6%)	37.1	32.5	(12%)
Tax expense	(12.7)	(9.9)	(22%)	(10.8)	(8.5)	(21%)
Profit after tax	30.6	30.7	-	26.3	24.0	(9%)

Key operating data

	Q3 2022	FY 2022	H1 2023	Q3 2023
KCB Footprint				
Branches	498	603	605	598
Number of Customers (Million)	31	32	33	33
ATMs ¹	1,172	1,270	1,315	1,318
Agency outlets ²	21,176	21,480	21,615	25,094
POS/Merchant outlets ²	8,634	7,354	8,538	8,299
Total number of employees	8,803	11,098	11,877	12,067
KCB Share Information				
Earnings Per Share (KShs)	12.64	12.71	9.99	12.75
Dividend Per Share (KShs) ³	1.00	2.00	-	-
Number of issued shares (Million)	3,213	3,213	3,213	3,213
Number of shareholders	193,430	193,615	193,734	194,300
Period-end share price (KShs)	41.45	38.10	29.30	20.85
Market capitalization (KShs Billion)	133.2	122.4	94.1	70.0
FX Rates				
KShs/US\$ exchange rate (period-end)	120.73	123.37	140.52	148.10

Notes

1 Includes 533 partner ATMs which KCB customers have access to at no extra charges

2 Active agents and merchants

3 Interim and proposed final dividend for 2022 amounting to KShs 2.00 per share

KCB regional footprint and key macros as at 30 September 2023

		Kenya ¹	Tanzania	South Sudan	Rwanda	Uganda	Burundi	DR Congo
KCB Footprint								
Branches		298	16	15	143	13	6	107
ATMs		575	18	14	68	15	8	87
Agency outlets		19,805	475	48	711	403	156	3,496
POS/Merchant outlets		6,529	640	29	233	243	41	584
Total number of employees		8,198	330	186	1,113	310	157	1,772
	of which:FTE	5,740	313	186	1,107	284	153	1,772
	PTE	2,458	17	-	6	26	4	-
Operating environment								
GDP growth	2022	4.8%	4.7%	0.5%	8.2%	6.4%	1.8%	8.9%
	2023 projection	5.3%	5.2%	3.5%	6.2%	4.6%	3.3%	6.7%
	2024 projection	5.7%	6.1%	4.2%	7.0%	5.7%	6.0%	4.7%
Inflation rates	Sep-22	9.2%	4.8%	(8.7%)	23.9%	10.0%	20.9%	9.0%
	Sep-23	6.8%	3.3%	3.8%	18.4%	2.7%	26.8%	29.7%
Movement in currency/USD - Q3 2023		(20.0%)	(7.5%)	(51.7%)	(13.5%)	(1.1%)	(37.9%)	(23.6%)
Central Bank rates	Sep-22	8.3%	5.0%	15.0%	6.0%	9.0%	7.0%	7.5%
	Sep-23	10.5%	5.0%	15.0%	7.5%	9.5%	10.0%	25.0%
Current account balance/GDP	2021	(5.2%)	(3.4%)	(9.5%)	(11.2%)	(8.3%)	(12.4%)	(1.0%)
	2022	(5.1%)	(5.4%)	9.8%	(9.8%)	(8.2%)	(15.6%)	(5.2%)
	2023 projection	(4.9%)	(5.1%)	2.3%	(12.7%)	(7.1%)	(18.7%)	(6.0%)

Notes

¹ Kenya footprint are consolidated data for KCB Bank Kenya and NBK.

Company information



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Contact information

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Stocklisting

Primary

Nairobi Securities Exchange

Crosslisting

Dar-es-Salaam Stock Exchange
Uganda Securities Exchange
Rwanda Stock Exchange



Auditors

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Share registrars

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Thank You

For People. For Better.

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